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~~Report to Montana Grain Growers' Association~~
~~and will be available soon.~~
L.H.S.
STATE DOCUMENTS



LYLE H. STANDISH
CHAIRMAN

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December 1, 1965

Honorable Tim Babcock, Governor
Capitol Building
Helena, Montana

Preliminary report of the 1965 operations
of the State Hail Insurance Department

Dear Governor Babcock:

In compliance with Section 82-1519 of the Montana codes and pertaining to the Hail Insurance law, I give you a report on the main points of the 1965 hail insurance experience.

After a series of above average hail loss years, the losses for 1965 were lower than for any year since 1960. The loss ratio dropped from 9.7% in 1964 to 7.6% for this year. The year 1965 was, on the whole, a successful one for the department and did not require a further drain on the reserve fund. The liability written was down slightly for 1965 but was still up to the average of past years. A shift in liability was noted with the increase occurring in the eastern part of the State, due to excellent crop prospects this spring. McCone County wrote close to \$1,000,000.00 in risk. This report is subject to some small changes but none of the figures quoted will be changed materially. The annual "Report to the Grain Growers" will be final but will not be ready until February of 1966. I am giving you the following details which are most important of the 1965 operation.

BUSINESS SUMMARY FOR 1965

Total Risk Written.....	\$7,060,926.91
Premium Charge.....	\$ 620,242.17
Losses Paid.....	\$ 550,468.22
Policies Issued.....	2,323
Acres Insured.....	649,124.55
Average Acres Insured Per Policy.....	279
Acres Reported Damaged.....	118,128.57
Losses Filed.....	568
Days With Hail.....	48
Loss Ratio.....	7.6%
Average Cost Per \$1,000 of Protection.....	\$87.84
Average Rate Charged (All Crops).....	8.8%

SEVERE LOSSES

	Levy	Loss	Loss Ratio
Big Horn	\$39,081.35	\$82,174.17	22%
Yellowstone	2,110.73	4,388.62	20
Garfield	6,162.95	12,777.41	18.5
Blaine	19,673.81	34,843.47	18
Dawson	19,969.45	27,300.36	14
Powder River	11,226.33	14,897.02	13
Chouteau	33,354.70	50,436.85	11

LIGHT LOSSES

McCone	80,537.04	50,562.20	6%
Fergus	41,265.38	19,024.13	4
Richland	56,804.51	24,433.11	4
Roosevelt	17,629.50	9,573.42	4
Sheridan	40,486.46	22,716.94	4

1965 LOSSES BY KIND OF GRAIN

Winter Wheat	\$269,698.92
Spring Wheat	193,181.71
Barley	75,577.82
Oats	7,072.16
Rye	1,177.12
Safflower	2,067.00
Flax	697.03
Alfalfa	115.20
Beans	166.42
Beets	385.97
Spelt	328.87

SEVERE STORMS FOR 1965. The most damaging hail storm of the season struck central Chouteau County on the evening of July 10. The Fort Benton, Carter area was hardest hit. The U.S.D.A. estimated the damage to crops at \$2,000,000. A series of storms on June 30 caused widespread damage in Blaine, Hill, Valley, Phillips and Roosevelt Counties. On July 10, Pondera, Hill and Blaine Counties and on July 11, Custer, Yellowstone and Big Horn Counties reported losses. In the month of July hail losses occurred in most of the Counties east of the divide on twenty one days of the month. In August, hail damage occurred on practically every day between the dates of the 22nd and 31st. It hailed four days in September with the last reported loss on the 15th. The estimated hail loss in the state for the year is \$5,000,000.



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INVESTMENTS AND EARNINGS OF HAIL INSURANCE FUND:

Amount	Interest Rate	Maturity Date	Interest Received
1. \$450,000	4%	October 20, 1965	\$18,000.00
2. 400,000	4	November 15, 1965	16,000.00
3. 100,000		July 3, 1965	1,979.58
<u>\$950,000</u>			<u>\$35,979.58</u>

The \$450,000 Land Bank bond was reinvested October 20, 1965 for a period of eleven months and earns 4.55% interest.

The \$100,000 U.S. Treasury bills were invested for six months and matured July 3, 1965.

With the investments to be made when the levies are paid and the increased rate of interest being paid at the present time, our investments should pay our administrative costs for the year. This year's business will add approximately \$50,000 to the reserve fund.

In compliance with Section 82-1511 of the Montana codes the Board has approved payment of one per cent (1%) of the gross annual levies made and collected in the Counties to the County Treasurer and two per cent (2%) of the gross annual levies made and collected in the State to the State Treasurer.

APPROXIMATE PAYMENTS FOR 1965:

To the several Counties.....	\$ 6,202.42
To the State of Montana.....	12,404.84

Adjustment of late losses were made difficult by the adverse weather in September which made it difficult to get into the fields. We ended the season with but one controversial settlement.

This year's administrative operation was the most successful in our experience. This was due to better and more timely reporting of losses by the policyholders and to the helpful and business-like manner in which the County Assessor's and other County officials conducted the hail insurance business at the County level. Few people realize the added work this entails.

The State Board and the office force wish to express our sincere gratitude.

Respectfully submitted for the State Board of Hail Insurance.

Sincerely yours,

LYLE H. STANDISH, Chairman

47 YEAR SUMMARY

Total Risk Written	\$164,924,838.58
Premium Charge	13,726,708.93
Losses Paid	11,349,586.46
Policies Issued	88,171
Total Acres Insured	17,368,937
Average Acres Per Policy	196.9
Loss Ratio	6.8%
Average Cost Per \$1,000 Protection	83.20
Number of Losses Filed	19,481

DETAIL STATEMENT—RISK, LEVY, LOSSES, LOSS RATIOS

County	1965 Risk	1965 Levy	1965 Losses	1965 Loss Ratio	47 Year Loss Ratio
Big Horn.....	\$ 379,318.40	\$ 39,081.35	\$ 82,174.17	22	8%
Blaine.....	191,253.00	19,673.81	34,843.47	18	11
Broadwater.....	23,480.00	1,422.53	637.79	3	4
Carter.....	8,236.00	716.69			9
Cascade.....	18,654.00	1,283.33	31.92	2	3
Chouteau.....	465,315.65	33,354.70	50,436.85	11	4
Custer.....	880.00	84.48			6
Daniels.....	389,612.00	31,285.24	23,291.60	6	5
Dawson.....	200,912.85	19,969.45	27,300.36	14	11
Fallon.....	177,048.50	17,927.88	17,635.92	10	11
Fergus.....	455,849.70	41,265.38	19,024.13	4	6
Gallatin.....	2,430.00	209.96			8
Garfield.....	68,977.64	6,162.95	12,777.41	19	8
Glacier.....	108,379.00	7,487.98	4,260.51	4	4
Golden Valley.....	72,711.00	7,280.49	3,121.00	4	8
Hill.....	296,645.00	23,938.97	12,311.14	4	5
Jefferson.....	1,400.00	96.00			1
Judith Basin.....	283,382.00	25,508.76	26,918.64	9	7
Liberty.....	554,501.81	44,278.80	52,845.55	7	6
McCone.....	804,009.60	80,537.04	50,562.20	6	9
Musselshell.....	5,424.00	666.60			12
Petroleum.....	3,771.00	301.66	148.50	1	5
Phillips.....	133,731.00	11,115.23	17,523.43	13	6
Pondera.....	177,728.00	11,182.64	9,035.94	5	5
Powder River.....	112,483.00	11,226.33	14,897.02	13	10
Prairie.....	106,840.13	10,138.70	5,132.63	5	10
Ravalli.....	4,196.00	167.84			5
Richland.....	564,033.74	56,804.51	24,433.11	4	8
Roosevelt.....	225,355.00	17,629.50	9,573.42	4	4
Rosebud.....	812.00	74.00	268.72	33	7
Sheridan.....	505,728.39	40,486.46	22,716.94	4	4
Stillwater.....	42,096.00	3,704.90	1,805.86	4	7
Teton.....	192,559.50	11,938.06	6,360.20	3	4
Toole.....	335,948.00	28,297.38	13,635.52	4	7
Treasure.....	9,390.00	963.82	62.64	1	12
Valley.....	91,860.00	9,375.61	2,170.01	22 270	9
Wheatland.....	17,100.00	1,836.67	35.00	2	8
Wibaux.....	7,286.00	655.74	108.00	1	6
Yellowstone.....	21,588.00	2,110.73	4,388.62	20	6
	<u>\$7,060,926.91</u>	<u>\$620,242.17</u>	<u>\$550,468.22</u>	<u>7.6%</u>	<u>8.3%</u>